



# WHAT IS A 'SUBSCRIPTION TRAP'?

Consumers make an online transaction with a retailer, only to find out later that they have been **unwittingly locked into a subscription contract** and **end up paying recurring subscription fees** to the retailer via their credit/debit card used for the online transaction.



Often used to make consumers fall into such 'subscription traps':

- discounts
- free shipping
- free samples
- 'free trial' offers
- other promotions



Consumers who do not cancel within the 'Free Trial' period:

- become trapped in subscription contract
- are liable to make payments or recurring payments



Consumers are unaware subscription fees are involved because errant retailers:

- omit key terms & conditions
- hide them in fine print or make them not easily noticeable
- place them a number of clicks away
- use confusing terminology

## WHAT SHOULD RETAILERS DO?



### PROVIDE CLEAR AND ACCURATE INFORMATION ON PRICE OF GOODS & SERVICES

These include additional costs such as subscription fees at the onset of the advertisement or display.



### DRAW CONSUMERS' ATTENTION TO KEY TERMS & CONDITIONS OF SALE/PURCHASE

Retailers should make them prominent, accessible and easy to read.



### ADOPT 'OPT-IN' APPROACH FOR SUBSCRIPTIONS

Allow consumers to actively 'opt-in' by ticking a box that is un-ticked by default.



### STATE SUBSCRIPTION TERMS CLEARLY AND UPFRONT

Any fees involved, including recurring ones, should be stated clearly and upfront.



### INFORM CONSUMERS BEFORE FREE TRIAL ENDS

Before a free trial ends, retailers should notify consumers when they will be charged and provide clear information on the cancellation process.